(c) whether Andhra Pradesh State Electricity Board will get benefit from this; if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) A Conference of Chief Ministers/Power Ministers held in March 2001 under the Chairmanship of the Prime Minister resolved that an Expert Group would be set up to recommend a one time settlement of all Power Sector past dues to Central Public Sector Undertakings (CPSUs) and dues from CPSUs to State Power Utilities. The Expert Group was set up under the Chairmanship of Shri Montek Singh Ahluwalia. The Group proposed a scheme of settlement of outstanding dues linked to a mechanism that would ensure payment of current dues in future. The recommendations of the Group, *inter-alia*, included securitisation of the outstanding dues through bonds issued by the respective State Governments. The recommendations included waiver of 50% of surcharge/interest accrued on outstandings. The High Level Empowered Group of Chief Ministers who accepted the recommendations of the Expert Group has suggested an increase in the waiver from 50% to 60%.

(b) The scheme would be available to those states which agree to sign a tripartite agreement with the Central Government and the Reserve Bank of India. As such, it is premature to list the top beneficiaries at this stage.

(c) Andhra Pradesh State Electricity Board had outstanding dues of Rs.1178 crores to CPSUs of Ministry of Power, Department of Coal, Atomic energy and Ministry of Railways as on 28.2.2001. This included a surcharge of around Rs.544.49 crores. On implementation of the scheme for one time settlement of dues 60% of this surcharge would be waived.

Spectrum Power Project in Andhra Pradesh

1772: SHRI PREM CHAND GUPTA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that an investigation into the Spectrum Power Project in Andhra Pradesh shows the extent of corruption, institutional rot and administrative collapse that has corroded the system and highlights the bizarre risks of doing business in India;

(b) several public sector banks led by SBI and seven institutions led by IDBI are under threat of ending up with large bad debts on their books; and

(c) if so, what action Government is taking on this issue?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) The 208 MW Godavari power project being implemented by M/s. Spectrum Power Generation Limited (SPGL), was awarded for implementation through private sector by the State Government of Andhra Pradesh and the Power Purchase Agreement (PPA) in respect of the project has been signed between the erstwhile Andhra Pradesh State Electricity Board and SPGL. The Central Government has received some representations alleging misappropriation of funds and other irregularities by SPGL, which have been forwarded to the State Government. The various allegations made against SPGL are presently *subjudice* in various Courts in the country as well as the Supreme Court and the Central Government (Ministry of Power) has not so far carried out any separate investigation into the matter.

(b) The AP Transco have informed that they have been making monthly payments promptly to SPGL and no default of payment by SPGL has been intimated to them by any bank. However, the IDBI has informed, that upon completion of the project, the Company was burdened with skewed debt equity ratio which, as on 31.3.1999 was 5.22:1 (against an envisaged debt equity ratio of 2.33:1) leading to a debt liability that cannot be serviced with the present level of tariffs received by the Company from AP Transco. IDBI have further informed that SPGL was in default to the institutions for an aggregate amount of Rs.1440 million as on 30th June, 2001. The main reason cited by the Company for experiencing the liquidity constraints resulting in non- payment of dues to the Financial Institutions are (i) reimbursement of tariffs based on the original project cost aproved by CEA (Rs.7.48 billion) and not on the revised project cost (Rs.9.90 billion) which has impacted the cash flow of the Company; (ii) inability of the Company to raise equity capital (Rs.1.15 billion) due to embargo by the Court, due to litigation between promoters; and (iii) non-availability of regular working capital facilities from banks, etc. According to IDBI, the Company has been indicating that it is exploring possible alternatives for raising long term funds to clear the dues of the Financial Institutions. Pursuant to recent Supreme Court order, the Company has planned to raise preference capital to be mainly used for repayment of dues of institutions, which will also rectify the skewed debt equity structure.

(c) The various representations received by the Central Government (Ministry of Power) have been referred to the Government of Andhra Pradesh, who have not so far conveyed their views in the matter. The issues involved are *subjudice*, in various Courts. The Central Electricity Authority (CEA) has issued a

provisional Techno-economic Clearance to the Godavari project and the final completion cost of the project as well as the corresponding financial package will be examined by CEA for approval after all the relevant details are submitted to them by the Government of Andhra Pradesh/Transmission Corporation of Andhra Pradesh Limited (AP- Transco).

Power Projects in Jammu and Kashmir

1773. MIRZA ABDUL RASHID: Will the Minister of POWER be pleased to state:

(a) how many power projects in Jammu and Kashmir are under execution for construction with what amount any by which agencies;

(b) the details thereof; and

(c) by when these will be completed?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (c) The details of power projects under execution for construction along with estimated cost and likely date of completion in the State of Jammu and Kashmir are given below:

S.No.	Name of Project	Capacity	Estimated cost	Likely date of completion
	Central Sector			
1.	Dulhasti NHPC)	3x130	3559.77	2002-03
	State Sector			
2.	Upper Sindh U-3	35.0	399.50	2002-03
3.	Pahalgam MHP	3.0	38.25	2002-03
4.	Machil MHP	0.35	10.46	2002-03
5.	Bhaderwah MHP	1.5	11.50	2002-03
6.	Sanjak MHP	1.26	14.24	2002-03
7.	Haftal MHP	1.0	15.65	2002-03
8.	Marpachoo MHP	0.75	11.73	2002-03
9.	Igo Mercelong MHP	3.00	33.08	2003-04
10.	Dumkher	2.25	25.34	2004-05
11.	New Ganderbal MHP	60	360.00	10th Plan
12.	Parnai	37.5	94.20	10th Plan
13.	Baghila HEP	450	3759.00	12/2004
14.	Sawalkot HEP	600	—	11th Plan
15.	Sewa-III MHP	9	65.35	12/2001